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BEFORE THE ARIZONA CORPORATION COMMISSION

BOB STUMP
Chairman
GARY PIERCE
Commissioner
BRENDA BURNS
Commissioner
BOB BURNS
Commissioner
SUSAN BITTER SMITH
Commissioner

Arizona Corporation Commission

DOCKETED

APR 18 2014

DOCKETED BY

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IN THE MATTER OF THE APPLICATION
OF GILA LOCAL EXCHANGE CARRIER,
INC. D/B/A ALLUVION
COMMUNICATIONS FOR RESCISSION
OF BOND REQUIREMENT CONTAINED
IN ARIZONA CORPORATION
COMMISSION DECISION NO. 70039.

DOCKET NO. T-20515A-14-0004

DECISION NO. 74453ORDER

Open Meeting
April 8 and 9, 2014
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. On January 9, 2014, Gila Local Exchange Carrier, Inc. dba Alluvion Communications ("Gila" or "Applicant") submitted an Application requesting an order rescinding the \$235,000 performance bond or irrevocable sight draft letter of credit ("ISDLOC") requirement contained in Decision No. 70039 (December 4, 2007).

2. Gila's Arizona Corporation Commission ("ACC" or "the Commission") Tariff No. 1, Original Sheets 22-23, indicate it may collect advance payments and deposits from its customers but as a general practice, Gila does not require advance payments or deposits from its customers¹ and is not holding any customer deposits.²

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¹ Response to Staff's First Set of Data Requests, STF 1.1(a)-(d).

² Application, Page 2.

Background

3. On December 4, 2007, in Decision No. 70039, the Commission granted Gila a Certificate of Convenience and Necessity to provide resold and facilities-based long distance and resold and facilities-based local exchange telecommunications services within the State of Arizona, provided Gila complies with conditions outlined in the Decision.

Gila's Application

4. In its Application to eliminate the performance bond or ISDLOC requirement, Gila cites Arizona Administrative Code ("A.A.C.") R14-2-1105(d), which states that "[i]n appropriate circumstances, the Commission may require, as a precondition to certification, the procurement of a performance bond sufficient to cover any advances or deposits the telecommunications company may collect from its customers, or order that such advances or deposits be held in escrow or trust." Gila states it provides telecommunications services to business customers located outside the Gila River Indian Community and does not serve residential customers in Arizona.

5. Gila has maintained a letter of credit for \$235,000 on file with the Commission since the issuance of Decision No. 70039 and the current letter of credit is scheduled to be renewed in the second quarter of 2014. Gila is required to give approximately 45 days advance notice to its bank to stop the auto-renewal of its letter of credit.³ Gila would like to give notice to the bank, ceasing the auto-renewal as soon as possible, but no later than May 15, 2014.

Complaints and Compliance

6. The Consumer Services Section of the Utilities Division reports that there have been zero (0) complaints, inquiries, or opinions about Gila Local Exchange Carrier, Inc. According to the Corporation Division, Gila is in good standing. The Compliance Section reports that Gila is in compliance.

Staff Recommendations

7. The Commission has, in appropriate circumstances, relieved telecommunications providers of the obligation to maintain a performance bond or ISDLOC.

³ Response to Staff's First Set of Data Requests, STF 1.2.

1 8. Staff recommends that Gila Local Exchange Carrier, Inc. be allowed to cancel its
2 \$235,000 ISDLOC.

3 9. Staff further recommends that Gila no longer be required to maintain a performance
4 bond or ISDLOC as a requirement for providing resold and facilities-based long distance and
5 resold and facilities-based local exchange telecommunications services within the State of
6 Arizona.

7 10. The Applicant has communicated to Staff that upon termination of the letter of
8 credit, the letter of credit should be returned to the following name and address:

9 Mr. Bruce Holdridge
10 Gila Local Exchange Carrier, Inc. dba Alluvion Communications
11 7065 W. Allison Road
 Chandler, Arizona 85226

12 CONCLUSIONS OF LAW

13 1. Gila Local Exchange Carrier, Inc. dba Alluvion Communications is a public service
14 corporation within the meaning of Article XV of the Arizona Constitution.

15 2. The Commission has jurisdiction over Gila Local Exchange Carrier, Inc. dba
16 Alluvion Communications and the subject matter in this filing.

17 3. The Commission, having reviewed the filing and Staff's Memorandum dated March
18 21, 2014, concludes that it is in the public interest to approve the Gila Local Exchange Carrier, Inc.
19 dba Alluvion Communications Application as proposed and discussed herein.

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ORDER

IT IS THEREFORE ORDERED that the Application of Gila Local Exchange Carrier, Inc. dba Alluvion Communications to rescind the \$235,000 performance bond or irrevocable sight draft letter of credit requirement contained in Decision No. 70039, be and hereby is approved.

IT IS FURTHER ORDERED that the Gila Local Exchange Carrier, Inc. dba Alluvion Communications letter of credit be returned to the following name and address provided by the Applicant:

Mr. Bruce Holdridge
Gila Local Exchange Carrier, Inc. dba Alluvion Communications
7065 W. Allison Road
Chandler, Arizona 85226

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION
CHAIRMAN
COMMISSIONER
COMMISSIONER
COMMISSIONER
COMMISSIONER

IN WITNESS WHEREOF, I, JODI JERICH, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this 18th day of April, 2014.



JODI JERICH
EXECUTIVE DIRECTOR

DISSENT: _____

DISSENT: _____

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1 SERVICE LIST FOR: Gila Local Exchange Carrier, Inc. dba Alluvion Communications
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